

**Sun Valley Air Service Board  
Meeting Minutes  
July 27, 2016  
Hailey City Hall Meeting Room 2 pm**

**Present:** Peter Hendricks – Mayor, City of Sun Valley  
Fritz Haemmerle – Mayor, City of Hailey  
Nina Jonas – Mayor, City of Ketchum

**Absent:** Larry Schoen – Blaine County Commissioner

**Staff Present:** Ketchum – Suzanne Frick  
Sun Valley – Susan Robertson

**CALL TO ORDER**

2:09:42 PM call to order by Fritz Haemmerle.

**CONSENT AGENDA**

2:10:16 PM Hendricks moves to approve Consent Agenda items, seconded by Jonas, approved by roll call vote. Jonas, yes. Hendricks, yes. Haemmerle, yes.

**PRESENTATIONS**

2:10:56 PM Carol Waller, Executive Director of Fly Sun Valley Alliance presented the semi-annual budget request to the board. Waller discusses the 2016 success, 6 non-stop cities, including Portland flights starting in Dec. 2016. Mid year update Waller reviews these development efforts including winter and summer air contracts with United and Alaska airlines, local air marketing community outreach. Regarding the FY16 YTD results & successes, there were more seats and flights, non-stop LAX flights, increase in number of days having 3 flights/day to SLC. Improved busing operations and customer experience. More competitive air flights last winter. Winter season seats up 5%, enplanements up 4% across all carriers. Summer update, finalizing contracts for 2017 winter, looking to close on the 3<sup>rd</sup> Department of Transportation (DOT) grant in the past 10 years, which is a partnership with the airport. Overall 30% increase in seats for winter 2016/17, expanding the Seattle flight to 3 days a week beginning thanksgiving. Sun Airport air service growth between 2013-2016, average of 10% diversion rate (bused planes) about a 19% increase when factoring in the diversion rate. For FY17 goals and performance metrics, expand summer frequency and pursue new air service, looking to add another non-stop flight for FY18. Proposed budget for FY17, Waller explains the increases for marketing alliance and anticipates more money for the

consultant. Cost for annual surveys has increased, budget reflects this increase. Waller explains that it take a village to make this all work, thanks all of the partners involved. Waller thanks board.

2:24:41 PM Hendricks asks about the grant, what will it cover? Waller answered it will cover the Minimum Revenue Guarantee (MRG).

2:25:22 PM Haemmerle asks if they are matching grants. Waller responds yes, 80/20.

2:26:18 PM Arlene Schieven presented for the last time as Sun Valley Marketing Alliance Executive Director. Schieven presents a recap of winter 2015/2016, added Chicago as a target market for advertising. Schieven discussed the budget by market.

2:28:42 PM Haemmerle asked about NY and Chicago markets? Schieven replied. NY has had a good response. LAX was the most challenging market last year, since CA got good snow too. Conversation between Haemmerle and Schieven about how they target markets.

2:30:44 PM Summer 2016 budget, 3<sup>rd</sup> summer with additional LOT 1% funds. Budget by Season, total budget is \$1,510,750, 60% towards winter budget and 40% summer marketing. Schieven discussed how they will spend money on particular markets. Target markets for winter, destination leisure skier is primary and secondary is the ski focused traveler. 3<sup>rd</sup> target audience regional market (Boise). Boise is 26% of volume. Campaign concept is "no beaten path" to us. It describes how we are different than other markets, harder to get to Sun Valley, but worth it. Winter media plan, sept through March, RFP's to 49 publishers who speak to SV audience, received 47 proposals. Heavily focused marketing in the digital market, and high impact. More video content than ever before. 90 second brand video which tells a story and 4 – 60 second detours on ski, outdoor, family and town. In summer 2017 campaign concept and creative confirmed, video & photography completed and media plan will begin in Jan 2017, first time we've been planning 1 year in advance.

Haemmerle thanked Schieven for her years of service and easy to understand presentations, - good luck in the future.

## **PUBLIC HEARING**

2:41:57 PM Susan Robertson gave the budget presentation to the board. Robertson suggests to apply fund balance of \$607,000 to apply towards next year's contracts.

2:44:17 PM Haemmerle asks about the fund balance. Robertson explains difference between expenses and revenue. Last year we moved \$270,000, kept approximately \$50,000 in the fund balance. This year better income, we are expecting more than we budgeted. Keeping in line with purpose, Robertson recommends to the Board to

allocate most of fund balance to go towards marketing. Haemmerle asked another question about the fund balance. Robertson, explains that there is little overhead operations needed, which is different than a municipality's budget. Targets ~\$50,000 in the fund balance for expenses.

There were no public comments.

Board deliberation.

2:47:35 PM Jonas asked a question. Robertson responded, that yes the Sun Valley lodge remodel has contributed to part of the increase in Sun Valley.

2:48:32 PM Jonas moves to approve the budget, Hendricks seconds, motion passed with roll call vote, Hendricks yes. Jonas, yes. Haemmerle, yes.

### AMENDED AGENDA

2:49:37 PM Motion to approve amended agenda by Jonas item 6, seconded by Hendricks. Motion passed unanimously.

### ACTION / DISCUSSION

2:50:13 PM Robertson gives the auditing services presentation, suggests to Board to accept the proposal and explains why.

2:51:05 PM Hendricks makes a motion to approve Dennis Brown CPA audit agreement, seconded by Jonas, motion passed unanimously.

2:51:32 PM payment of bills on hand, Robertson explained these items. Neither organization has hit their cap yet, getting close though, added Robertson.

2:52:45 PM Jonas moves to approve bills on hand, seconded by Hendricks, Jonas, yes. Hendricks, yes. Haemmerle, yes.

2:53:32 PM Jonas move to adjourn, seconded by Hendricks, motion passed unanimously.

  
Fritz Haemmele, Chair

  
Nina Jonas, Secretary/Treasurer